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## WAR FOOD ADMINISTRATION

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★ APR 25 1944 ★

U. S. DEPARTMENT OF AGRICULTURE  
PART 1460—FATS AND OILS

## FATTY ACID INVENTORIES

The fulfillment of requirements for the defense of the United States has resulted in a shortage in the supply of fatty acids for defense, for private account, and for export, and the following order is deemed necessary and appropriate in the public interest and to promote the national defense:

§ 1460.42 *Restrictions on inventories of fatty acids*—(a) *Definitions*. (1) "Fatty acids" means all the grades and qualities of distilled and undistilled fatty acids produced from animal, vegetable, fish, or other marine animal fats and oils, excluding crude and refined tall oil, raw or acidulated foots produced in the refining of animal, vegetable, fish or other marine animal fats or oils, pitch, stearic acid, distilled red oil, and fatty acids which have been processed to the extent that they no longer exist as such by reason of chemical changes or compounding with non-fatty materials.

(2) "Specific class," as applied to fatty acids, means one or more grades or qualities of fatty acids used interchangeably.

(3) "User" means any person who uses fatty acids in the manufacture of any other product, regardless of whether fatty acids are incorporated into such product.

(4) "Distributor" means any person who acquires fatty acids for resale.

(5) "Inventory" means the total quantity of a specific class of fatty acids owned by any person, wherever located, excluding fatty acids produced by such person or delivered to him pursuant to specific authorization of the Director.

(6) "Eastern zone" means that area of the 48 States of the United States and the District of Columbia lying east of the eastern boundaries of the States of Montana, Wyoming, Colorado, and New Mexico.

(7) "Western zone" means that area of the 48 States of the United States and the District of Columbia lying west of the eastern boundaries of the States of Montana, Wyoming, Colorado, and New Mexico.

(8) "Current rate of consumption", as determined on any particular date, means the amount of any specific class of fatty acids used during the calendar month immediately prior to such date, or the amount thereof scheduled for use during the calendar month immediately following such date.

(9) "Maximum unit" means the largest single, segregate, commercial quantity of any specific class of fatty acids shipped to and accepted by any person during the calendar year 1944.

(10) "Person" means any individual, partnership, association, business trust, corporation, or any organized group of persons whether incorporated or not.

(11) "Director" means the Director of Marketing Services, War Food Administration.

(b) *Inventory restrictions*. Except as hereinafter provided:

(1) No user shall accept delivery of any specific class of fatty acids in any quantity which will cause his inventory to exceed the following number of days' supply based upon his current rate of consumption:

(i) Users located in the Eastern zone—30 days' supply;

(ii) Users located in the Western zone—45 days' supply:

(2) No distributor shall accept delivery of any specific class of fatty acids in any quantity which will cause his inventory to exceed the following number of days' supply based upon his deliveries during the preceding calendar month:

(i) Distributors located in the Eastern zone—20 days' supply;

(ii) Distributors located in the Western zone—30 days' supply.

(c) *Inventory exemption—Maximum units*. Subject to the requirements of paragraph (d) of this order, any user or distributor whose inventory does not exceed two-thirds of the quantity which he is permitted to have under the applicable provision of paragraph (b) may accept delivery of not more than one maximum unit, provided that such acceptance shall not cause his inventory to exceed twice the quantity which he is permitted to have under the applicable provision of paragraph (b).

(d) *Inventory certificates*. No person shall deliver and no person shall accept delivery of more than 50 pounds of fatty acids in any calendar month unless the person accepting delivery executes and furnishes to his supplier a certificate in the following form:

The undersigned hereby certifies to the War Food Administration and to \_\_\_\_\_ Name and \_\_\_\_\_ that he is familiar with address of supplier the terms of War Food Order No. 87, that this certificate is furnished in order to enable the undersigned to acquire \_\_\_\_\_ pounds of fatty acids, to be delivered on or about \_\_\_\_\_, and that the receipt by him of such fatty acids will not increase his inventory beyond the amount permitted under War Food Order No. 87.

\_\_\_\_\_ Purchaser  
\_\_\_\_\_ By \_\_\_\_\_  
Date Authorized official

(e) *Transfers between branches or departments*. The transfer of fatty acids between units, departments, branches, plants, or companies owned, controlled, or directed by the same person, but engaged in separate activities as distributors or users, shall constitute delivery and acceptance of delivery within the meaning of this order.

(f) *Records and reports*. (1) All certificates executed under this order shall be retained for at least two years and

shall, upon request, be submitted to the Director for examination. All statements contained in such certificates shall be deemed representations to an agency of the United States. No person shall be entitled to rely upon any such certificate if he knows or has reasonable cause to believe it to be false.

(2) The Director shall be entitled to obtain such information from and require such reports and the keeping of such records by, any person, as may be necessary or appropriate, in his discretion, to the enforcement or administration of the provisions of this order.

(3) Every person subject to this order shall, for at least two years or for such period of time as the Director may designate, maintain an accurate record of his transactions in fatty acids.

(g) *Existing contracts*. The restrictions of this order shall be observed without regard to existing contracts or any rights accrued or payments made thereunder.

(h) *Audits and inspections*. The Director shall be entitled to make such audits or inspections of the books, records and other writings, premises, or stocks of fatty acids of any person, and to make such investigations as may be necessary or appropriate, in his discretion, to the enforcement or administration of the provisions of this order.

(i) *Petition for relief from hardship*. Any person affected by this order who considers that compliance herewith would work an exceptional or unreasonable hardship on him may file a petition for relief with the Order Administrator. Petitions shall be in writing and shall set forth all pertinent facts and the nature of the relief sought. The Order Administrator may take any action with reference to such petition which is consistent with the authority delegated to him by the Director. If the petitioner is dissatisfied with the action taken by the Order Administrator, he may, by request addressed to the Order Administrator, obtain a review of such action by the Director. After said review, the Director may take such action as he deems appropriate, which action shall be final.

(j) *Violations*. Any person who violates any provision of this order may, in accordance with the applicable procedure, be prohibited from receiving, making any deliveries of, or using fatty acids. Any person who wilfully violates any provision of this order is guilty of a crime and may be prosecuted under any and all applicable laws. Civil action may also be instituted to enforce any liability or duty created by, or to enjoin any violation of, a provision of this order.

(k) *Delegation of authority*. The administration of this order and the powers vested in the War Food Administrator, insofar as such powers relate to the administration of this order, are hereby delegated to the Director. The Director is authorized to redelegate to any employee of the United States Department



of Agriculture any or all of the authority vested in him by this order.

(l) *Communications.* All reports required to be filed hereunder and all communications concerning this order shall, unless otherwise provided, be addressed to the Order Administrator, War Food Order No. 87, Fats and Oils Branch, Office of Marketing Services, War Food Administration, Washington 25, D. C.

(m) *Territorial scope.* This order shall apply within the 48 States and the District of Columbia.

(n) *Effective date.* This order shall become effective at 12:01 a. m., e. w. t., April 1, 1945.

NOTE: All reporting and record-keeping requirements of this order have been approved by, and all subsequent reporting and record-keeping requirements will be subject to the

approval of, the Bureau of the Budget in accordance with the Federal Reports Act of 1942.

(E.O. 9280, 7 F.R. 10179; E.O. 9322, 8 F.R. 3807; E.O. 9334, 8 F.R. 5423; E.O. 9392, 8 F.R. 14783)

Issued this 31st day of March 1945.

WILSON COWEN,  
Assistant War Food Administrator.

#### War Food Administration Summary to WFO-87

The War Food Administration has issued War Order No. 87 to provide more even distribution of the available supply of fatty acids by limiting the inventories of distributors and users. The order is effective April 1, 1945.

In method of operation this order is similar to former WFO 67 (terminated August 25, 1944) under which fatty acid inventories formerly were limited, except that the current order divides the

country into the Eastern and Western zones. The Eastern zone comprises the area lying east of the eastern boundaries of Montana, Wyoming, Colorado and New Mexico, while the Western zone comprises the area west of these boundaries.

In the Eastern zone, distributors of fatty acids are limited to a 20 day and users to a 30 day supply. In the Western zone, the order permits distributors to maintain a 30 day supply, and users to maintain a 45 day supply. (Since most

of the fatty acid production is in the East, the transportation problem is more acute for distributors and users in the West. Hence their inventories are permitted to be somewhat larger than those in the East.) Distributors' limitations are based on deliveries during the preceding calendar month, while those of users are based on their current rate of consumption.

Distilled red oil and stearic acid, which are subject to other orders, are not included in WFO No. 87.



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WFO 87

AMDT. 1  
MAY 9, 1944

WAR FOOD ADMINISTRATION

[WFO 87, Amdt. 1]

PART 1460—FATS AND OILS

RESTRICTIONS ON INVENTORIES OF FATTY ACIDS

War Food Order 87 (9 F.R. 54, 4319), § 1460.31 is amended to read as follows:

§ 1460.31 *Restrictions on inventories of fatty acids*—(a) *Definitions*. (1) The term "fatty acids" means all grades and qualities of fatty acids, whether distilled or undistilled, produced from animal, vegetable, fish, or marine animal fats and oils, excluding crude and refined tall oil; raw or acidulated foots produced in the refining of animal, vegetable, fish, or marine animal fats and oils; pitch; and fatty acids which have been processed to the extent that they no longer exist as such by reason of chemical changes or compounding with non-fatty materials.

(2) The term "person" means any individual, partnership, association, business trust, corporation, or any organized group of persons whether incorporated or not.

(3) The term "user" means any person who engages in the manufacturing of any product by any process which requires the use of fatty acids, without regard to whether or not fatty acids are incorporated in the product.

(4) The term "inventory" means the total quantity of fatty acids owned by any user at any particular time, excluding fatty acids which were produced by such user, or delivered to him pursuant to a specific authorization by the Director.

(5) The term "maximum unit" means, with respect to any user, the largest, single, segregate, commercial quantity of fatty acids which such user accepted delivery of, from other persons, during the period beginning on January 1, 1943 and ending on December 31, 1943. For example, such a unit might be one, but not more than one, of the following: a tank car, or fraction thereof; a tank truck, or fraction thereof; a carload, or fraction thereof, of packages; or a truckload, or fraction thereof, of packages.

(6) The term "Director" means the Director of Distribution, War Food Administration.

(b) *Inventory limitations*. Except as provided for in (c) hereof, no user shall accept delivery of any fatty acids from any other person, if such acceptance of delivery will cause his inventory to exceed a quantity equal to a 60-day supply at his current rate of consumption.

(c) *Exceptions*. Notwithstanding the provisions of (b) hereof:

(1) Any user may accept delivery of his maximum unit of fatty acids, if at the time of such acceptance of delivery his inventory does not exceed a quantity

equal to a 30-day supply at his current rate of consumption.

(2) Any user may accept delivery of fatty acids, if such acceptance of delivery will not cause his inventory to exceed 12,000 pounds.

(d) *Restrictions on delivery*. No user shall accept delivery of more than 50 pounds of fatty acids in any calendar month unless and until he shall have properly filled out, executed, and delivered to the person making delivery of such fatty acids a certificate in the following form:

The undersigned hereby certifies to the War Food Administration and to \_\_\_\_\_

\_\_\_\_\_ that he  
(name of supplier)

is familiar with the provisions of War Food Order No. 87, and all amendments, if any, thereto, and that the acceptance of delivery by him of \_\_\_\_\_ pounds of fatty acids, from said supplier, in connection with which this certificate is furnished, will not be in violation of the provisions of said War Food Order No. 87, or any amendment thereto.

By \_\_\_\_\_

(Name of deliverer)  
(Authorized official)

(Date)

No person shall deliver more than 50 pounds of fatty acids in any calendar month to any user without receiving such a certificate.

(e) *Records and reports*. (1) The Director shall be entitled to obtain such information from, and require such reports and the keeping of such records by, any person, as may be necessary or appropriate, in the Director's discretion, to the enforcement or administration of the provisions of this order.

(2) Every person subject to this order shall, for at least two years (or for such period of time as the Director may designate), maintain an accurate record of his transactions in fatty acids, and retain all certificates received by him pursuant to (d) hereof.

(f) *Audits and inspections*. The Director shall be entitled to make such audit or inspection of the books, records and other writings, premises or stocks of fatty acids of any person, and to make such investigations, as may be necessary or appropriate, in the Director's discretion, to the enforcement or administration of the provisions of this order.

(g) *Petition for relief from hardship*. Any person affected by this order who considers that compliance herewith would work an exceptional and unreasonable hardship on him, may file a petition for relief in writing with the Director, addressed as follows: Director of Distribution, War Food Administration, Washington 25, D. C., Ref. WF 87. Such petition shall set forth all pertinent facts and the nature of the relief sought. The

Administrator of this order shall then act upon the petition. In the event that the petitioner is dissatisfied with the action taken by the Administrator of this order, he may request a review of such action by the Director whose decision with respect to the relief sought shall be final.

(h) *Violations*. Any person who violates any provision of this order may, in accordance with the applicable procedure, be prohibited from receiving, making any deliveries of, or using fatty acids, or any other material subject to priority or allocation control by any governmental agency. In addition, any person who wilfully violates any provision of this order is guilty of a crime and may be prosecuted under any and all applicable laws. Further, civil action may be instituted to enforce any liability or duty created by, or to enjoin any violation of, any provision of this order.

(i) *Delegation of authority*. The administration of this order and the powers vested in the War Food Administrator, insofar as such powers relate to the administration of this order, are hereby delegated to the Director. The Director is authorized to redelegate to any employee of the United States Department of Agriculture any or all of the authority vested in him by this order.

(j) *Communications*. All reports required to be filed hereunder and all communications concerning this order shall, unless instructions to the contrary are issued by the Director, be addressed to the Director of Distribution, War Food Administration, Washington 25, D. C., Ref. WF-87.

(k) *Territorial extent*. This order shall apply only in the forty-eight States of the United States, and the District of Columbia.

(l) *Effective date*. This amendment shall become effective 12:01 a. m. e. w. t., May 9, 1944. However, with respect to violations of said War Food Order 87, or rights accrued, or liabilities incurred thereunder, prior to said date, said War Food Order 87 shall be deemed in full force and effect for the purpose of sustaining any proper suit, action, or other proceeding with respect to any such violation, right, or liability.

NOTE: All reporting and record-keeping requirements of this order have been approved by, and subsequent reporting and record-keeping requirements will be subject to the approval of, Bureau of the Budget in accordance with the Federal Reports Act of 1942.

(E.O. 9280, 7 F.R. 10179; E.O. 9322, 8 F.R. 3807; E.O. 9334, 8 F.R. 5423; E.O. 9392, 8 F.R. 14783)

Issued this 9th day of May 1944.

ASHLEY SELLERS,  
Assistant War Food Administrator.



War Food Administration,  
Summary to WFO 87 Amendment 1.

The War Food Administration has amended War Food Order 87 (formerly FDO 87) to permit the basing of fatty acid inventory limitations on current consumption rather than on consumption during the last 6 months of 1943.

The required 60-day limitation has previously been based on one-third of the aggregate use of fatty acids from June 1 to December 31, 1943.

Effective May 9, 1944, the limitation may be figured on the previous 60 days

usage or on scheduled operations for the ensuing 60-day period.

The amendment also:

Raises the quantity of fatty acids not subject to inventory control from 3,000 to 12,000 pounds to remove the possibility of placing purchase penalties on small users by making it possible for them to purchase in ton-lot quantities. The provision will permit any user to accept delivery of up to 12,000 pounds of fatty acids if his inventory, after the delivery is made, does not exceed that quantity.

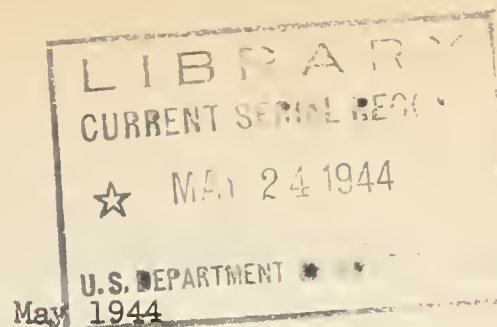
Defines the term "maximum unit" to mean the largest single, segregate, commercial quantity of fatty acids accepted by any user during the calendar year 1943, and permits the acceptance of this "maximum unit" now if the user's inventory, at the time of delivery, does not exceed a 30-day supply based on current usage.

The inventory limitations do not affect fatty acids produced by the user.

All other provisions of WFO 87, amended December 30, 1943, remain the same.

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WAR FOOD ADMINISTRATION  
Office of Distribution  
Washington 25, D. C.



FATTY ACIDS

WAR FOOD ORDER NO. 87, AMENDMENT 1

Questions and Answers

This statement, prepared for general distribution, is intended to supply the answers to many of the questions raised by the industry. For additional information, write to the Director of Distribution, War Food Administration, Washington 25, D. C., Ref: WFO 87.

Food Distribution Order No. 87, effective November 1, 1943, limited the inventories of fatty acids (except those produced by the user or delivered to him under specific authorization of the Director) to a 60-day supply based on the average quantity used during the first 6 months of 1943.

Amendment 1, issued December 30, 1943, based the inventory limitation on the average quantity of fatty acids used during the last 6 months of 1943.

Food Distribution Order No. 87, as amended, was redesignated War Food Order No. 87 on April 20, 1944. Amendment 1 to War Food Order No. 87 issued May 9, 1944, eliminates the 1943 base period, and permits users to calculate inventory limitations on the basis of current consumption. It also increases from 3,000 to 12,000 pounds the quantity of fatty acids not subject to inventory limitation.

1. Q. How is the inventory limitation established under War Food Order No. 87, Amendment 1?  
  
A. The inventory limitation under Amendment 1 is a quantity of fatty acids equivalent to a 60-day supply. It may be based on the preceding 60-day usage, or on the scheduled operation of a user for the ensuing 60-day period.
2. Q. Is a fatty acid which has been under allocation, but which now is not allocated, subject to inventory limitation?  
  
A. Yes.

3. Q. Are fatty acids in transit to a user considered as part of his inventory?
- A. This is determined by ownership. If the fatty acids become the user's property when taken over by the transporting agency, they are part of his inventory.
4. Q. If a user has fatty acids produced for him under a toll agreement, are these fatty acids considered as being produced by the user and free from inventory restrictions?
- A. No. Such fatty acids are not produced by the user; therefore, they are subject to inventory limitations.
5. Q. Are fatty acids held in rented storage outside the user's plant considered as part of his inventory?
- A. Yes, if he owns the fatty acids and they were not produced by him.
6. Q. If a user has need for an inventory of fatty acids but has no previous usage by which to establish a quota, what should he do?
- A. A user is permitted an inventory of 12,000 pounds without restriction. If he needs more than a 12,000-pound inventory, he may take as his inventory a quantity of fatty acids equivalent to a 60-day supply based on his scheduled operations.
7. Q. If a user buys several grades of fatty acids, is he restricted in his inventory to those grades previously purchased?
- A. No.
8. Q. Are delivery certificates necessary in the case of intra-company transfers of fatty acids?
- A. No. Delivery certificates are necessary only when ownership changes



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**WFO 87**

TERMINATION  
AUG. 24, 1944

## WAR FOOD ADMINISTRATION

[WFO 87, Termination]

### PART 1460—FATS AND OILS

#### TERMINATION OF INVENTORY RESTRICTIONS ON FATTY ACIDS

War Food Order No. 87, as amended  
(9 F.R. 5033), is hereby terminated.

This order shall become effective at

12:01 a. m., e. w. t., Aug. 25, 1944. With respect to violations, rights accrued, liabilities incurred, or appeals taken, prior to said date, under War Food Order No. 87, as amended, all provisions of said order shall be deemed to remain in full force for the purpose of sustaining any proper suit, action, or other pro-

ceeding with respect to any such violation, right, liability, or appeal.

(E.O. 9280, 7 F.R. 10179; E.O. 9322, 8 F.R. 3807; E.O. 9334, 8 F.R. 5423; E.O. 9392, 8 F.R. 14783)

Issued this 24th day of August 1944.

GROVER B. HILL,

*First Assistant*

*War Food Administrator.*

#### War Food Administration Summary to WFO-87 Termination

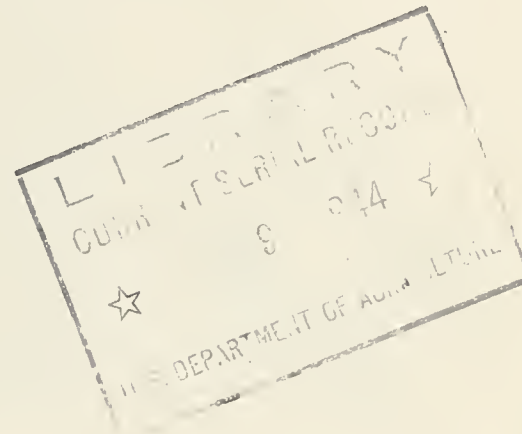
Because of an improved situation in the supply of fatty acids, the War Food Administration has terminated War Food Order No. 87 which has limited fatty

acid inventories to a 60 days supply since October 23, 1943. The termination order is effective August 25, 1944.

WFO 87 was issued when fatty acid stocks were near an all-time low and limitations on the use of fats and oils

without glycerine recovery were contributing to an increased demand for these acids in soaps and lubricants. Glycerine recovery limitations have since been lifted, lessening the demand for fatty acids.

GPO—WFA 73—p. 1



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